Collection of Cess levied on petroleum products

†* 510. SHRI KAPIL SIBAL :

SHRI RAJ MOHINDER SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that besides taxes, cess is also collected from petroleum and other related products in the country ;

(b) if so, what are the details of products along with the rates of cess thereon; and

(c) the estimate of average annual collection made through cess, product-wise; and

(d) the details of decision with regard to spending the said amount?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR) : (a) Yes Sir.

(b) Cess is collected at the rate of Rs 900 per metric tonne on indigenous crude oil. However, crude oil produced in the exploration blocks offered under the New Exploration and Licensing Policy (NELP) through competitive international bidding is exempt from this cess.

(c) The average annual amount of net collection of cess from crude oil during the period 1974-75 to 1998-99 is Rs. 1337.56 crores.

(d) Cess receipts have been used for the purpose for which these were collected, *i.e.* the development of "oil industry" as defined under Oil Industry Development Act, 1974 (inclusive of chemicals, petrochemicals and fertilizers besides production and refining of crude oil).

Diversion of deposits from banks to mutual funds

*511. SHRI RAJNATH SINGH 'SURYA' : Will the Minister of FINANCE be pleased to state :

(a) whether the common people are forced to divert their deposits from bank to mutual funds due to reduced interest rates ;

(b) if so, whether most of these MFs are in private sector;

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†Original notice of the Question was received in Hindi.

(c) if so, what are the support/protection available to the people against the possible exploitation by them;

(d) whether the share of the UTI is declining *vis-a-vis* private MFs; and

(e) if so, reason therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) and (b) Bank deposits have been growing steadily at about 19 per cent annually during last three years. Mutual Funds are one among several investment avenues available to public to invest their savings. Of the net in flow to Mutual Funds in 1999-2000, private sector mutual funds account for 80 per cent.

(c) Elaborate disclosure requirements have been prescribed by Securities and Exchange Board of India (SEBI) for all the mutual funds for floating any schemes which enable investors to make investment decisions. Detailed advertisement code is also in place to ensure that the true facts are presented before the investors by way of advertisements. The Trustees of the MF perform a supervisory role to safeguard the interest of the unit holders and the responsibilities of the Trustees have also been laid down by SEBI to ensure protection of the unit holders. All mutual funds declare Net Asset Values (NAVs) on a reagular basis and the investors can exit at any time by selling their units in the market or opting for repurchase.

(d) and (e) In terms of cumulative position of net assets, the share of UTI has declined from 78% as on March 1999 to 67% as on March 2000, whereas the share of private sector Mutual Funds has gone up from 10% on March 1999 to 23% as on March 2000. This is on account of the preference of investors who take investment decisions.

Non-availability of loans to agriculturists in Orissa

*512. SHRI R. MARGABANDU : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that credit to the agricultural sector has shot up by about 10 crores every year from 1998-99 ;

(b) what was the target for benefiting the agriculturists in 1998-99 and 1999-2000;